



Title: I, Payroll/Personnel Manual

Chapter:

Bulletin: Title I, 06-28, Thrift Savings Plan (TSP) Changes

Date: December 21, 2006

To: Holders of the Payroll/Personnel Manual
Personnel User Groups
Personnel Offices

Effective in January 2006, the percentage limitations on Thrift Savings Plan (TSP) employee contributions were lifted. Employee contributions to the TSP are limited only by the restrictions imposed by the Internal Revenue Code. For 2007, the elective deferral limit is \$15,500.

Employees are strongly encouraged to review their earnings and leave statement to determine the TSP contribution amount or percentage that best works for them, ensuring that other deductions, such as health and life insurance are not adversely affected. The TSP Web site (www.tsp.gov) has several calculators, which employees should take advantage of when making these decisions and in order to maximize their contributions. Also refer to Bulletin Title I, 06-18, Thrift Savings Plan (TSP) Deductions, dated October 4, 2006, for additional information.

Additionally, the Federal Retirement Thrift Investment Board implemented Public Law 107-304, dated November 27, 2002, which permits eligible Thrift Savings Plan (TSP) participants who are age 50 or older to make tax-deferred "Catch-up" contributions from their basic pay to their TSP Account. These contributions are a supplement to the participant's regular employee contributions and do not count against the Internal Revenue Code's elective deferral limit, (\$15,500 in 2007). However, the catch-up contributions have their own annual limit (\$5,000 in 2007) and eligibility criteria.

To view and/or print these procedures, go to NFC's Home Page (www.nfc.usda.gov) and click the **Pubs & Forms** icon. At the Pubs & Forms page left-hand menu, click **List by Title/Chapter** and search for the appropriate chapter on the list provided.

For more information on TSP changes, see the TSP Web site (www.tsp.gov).

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630**.

MARK J. HAZUDA, Director
Government Employees Services Division